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SENATE BILL 13

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2005

INTRODUCED BY

Leonard Lee Rawson

AN ACT

RELATING TO TAXATION; REDUCING THE GROSS RECEIPTS TAX RATE FOR THE PERIOD BEGINNING ON NOVEMBER 1, 2005 AND ENDING ON JANUARY 31, 2006; PROVIDING FOR A PARTIAL REBATE FOR GROSS RECEIPTS TAXES PAID DURING 2006; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-1-6.4 NMSA 1978 (being Laws 1983, Chapter 211, Section 9, as amended) is amended to read:

"7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS RECEIPTS TAX. --

A. Except as provided in Subsection B of this section, a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to each municipality in an amount, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to the product of the quotient of one and two

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1 hundred twenty-five thousandths percent divided by the
2 appropriate tax rate imposed ~~[by]~~ pursuant to Section 7-9-4
3 NMSA 1978 ~~[times]~~ multiplied by the net receipts for the month
4 attributable to the gross receipts tax from business locations:

5 (1) within that municipality;

6 (2) on land owned by the state, commonly known
7 as the "state fair grounds", within the exterior boundaries of
8 that municipality;

9 (3) outside the boundaries of any municipality
10 on land owned by that municipality; and

11 (4) on an Indian reservation or pueblo grant
12 in an area that is contiguous to that municipality and in which
13 the municipality performs services pursuant to a contract
14 between the municipality and the Indian tribe or Indian pueblo
15 if:

16 (a) the contract describes an area in
17 which the municipality is required to perform services and
18 requires the municipality to perform services that are
19 substantially the same as the services the municipality
20 performs for itself; and

21 (b) the governing body of the
22 municipality has submitted a copy of the contract to the
23 secretary.

24 B. If the reduction made by Laws 1991, Chapter 9,
25 Section 9 to the distribution under this section impairs the

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1 ability of a municipality to meet its principal or interest
2 payment obligations for revenue bonds outstanding prior to July
3 1, 1991 that are secured by the pledge of all or part of the
4 municipality's revenue from the distribution made under this
5 section, then the amount distributed pursuant to this section
6 to that municipality shall be increased by an amount sufficient
7 to meet any required payment, provided that the distribution
8 amount does not exceed the amount that would have been due that
9 municipality under this section as it was in effect on June 30,
10 1992. "

11 Section 2. Section 7-9-4 NMSA 1978 (being Laws 1966,
12 Chapter 47, Section 4, as amended) is amended to read:

13 "7-9-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
14 "GROSS RECEIPTS TAX".--

15 A. Except during the period beginning on November
16 1, 2005 and ending on January 31, 2006, for the privilege of
17 engaging in business, an excise tax equal to five percent of
18 gross receipts is imposed on any person engaging in business in
19 New Mexico.

20 B. During the period beginning on November 1, 2005
21 and ending on January 31, 2006, for the privilege of engaging
22 in business, an excise tax equal to four percent of gross
23 receipts is imposed on any person engaging in business in New
24 Mexico.

25 [~~B.~~] C. The tax imposed by this section shall be

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1 referred to as the "gross receipts tax". "

2 Section 3. A new section of the Gross Receipts and
3 Compensating Tax Act is enacted to read:

4 "[NEW MATERIAL] PARTIAL REBATE FOR GROSS RECEIPTS TAX PAID
5 DURING 2006.--A person that reports gross receipts to the
6 department during 2006 may claim a tax rebate before December
7 31, 2006 on a form prescribed by the department for an amount
8 not to exceed five dollars (\$5.00) of the gross receipts tax to
9 which that person has been subject during 2006. The secretary
10 may adopt regulations necessary to administer the provisions of
11 this section. "

12 Section 4. EMERGENCY.--It is necessary for the public
13 peace, health and safety that this act take effect immediately.

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